Missouri General Assembly
201 W. Capitol Avenue
Jefferson City, Missouri 65101

December 21, 2017

To my fellow public servants in the Missouri General Assembly:

Yesterday Congress gave final approval to the Tax Cuts and Jobs Act, which makes a number of important improvements to our federal tax code. Among those changes is a measure that would double the standard deduction, which is the portion of a taxpayer's income that is not subject to taxation.

With the passage of this bill, the standard deduction has increased from $6,500 to $12,000 for single filers, $13,000 to $24,000 for married filers and from $9,550 to $18,000 for those who file as a head of household. Since Missouri's state tax code is coupled with the federal law, the state standard deduction will automatically increase as a result of these federal changes.

As the legislative session approaches, I urge you not to decouple Missouri's standard deduction from its federal counterpart. By nearly doubling the standard deduction we can provide more tax relief to hardworking Missourians from all walks of life. This will help to amplify the positive impact of the tax relief I championed with many of you when I served in the Missouri Senate, which is set to begin phasing in next year.

There has been much speculation about the impact such a change could have on the state budget. Department of Revenue Director Joel Walters provided clarity this week by explaining in several media interviews that the effect of the overall tax reform package on revenues will be relatively minor. However, the positive impact this will have on middle class families cannot be overstated.

I sincerely believe letting Missourians keep more of their hard-earned money is always the right thing to do. Allowing Missouri's standard deduction to be nearly doubled is one way to achieve that goal, and I encourage you to remain steadfast in your opposition to any measure that would reverse or prevent that automatic change.

Yours in service,

Eric S. Schmitt
Missouri State Treasurer